

## Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 188938

70

ORIGIN NEA-10

INFO OCT-01 ISO-00 EB-07 AID-05 ERDA-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 FPC-01 H-02 INR-07 INT-05

L-03 NSAE-00 NSC-05 OMB-01 PM-03 USIA-06 SAM-01

OES-03 SP-02 SS-15 STR-04 TRSE-00 FRB-03 FEA-01 /092 R

DRAFTED BY NEA/PAB:MGJONES/MW

APPROVED BY NEA/PAB:PDCONSTABLE

EB/ORF/FSE:MCREEKMORE (INFO)

AID/NESA/CD:SATAUBENBLATT (INFO)

----- 012344

R 090115Z AUG 75

FM SECSTATE WASHDC

TO AMEMBASSY ISLAMABAD

INFO AMCONSUL KARACHI

LIMITED OFFICIAL USE STATE 188938

E.O. 11652: N/A

TAGS: EINV, EAID, PK

SUBJECT: ESSO SALE PROPOSAL

REF: (A) ISLAMABAD 6970, (B) KARACHI 1626

1. FRED WEISS OF FINANCE/PLANNING DEPT. AND JAMES RILEY OF PUBLIC AFFAIRS DEPT., ESSO EASTERN, CALLED AT DEPARTMENT AUGUST 8 TO REVIEW SITUATION RE PROPOSED SALE OF MARKETING AND REFINING FACILITIES IN PAKISTAN. THEY HAVE NOT RECEIVED FORMAL GOP TURNDOWN (REFTELS) YET, AND FEEL THIS MAY REFLECT SOME UNCERTAINTY OR INFIGHTING WITHIN ECC.

2. THEY CONFIRMED THAT ESSO EASTERN WOULD TAKE HARD LINE ON NOT DEVELOPING MARI FIELDS (PARA 2 REF A) UNLESS SALE PROCEEDS COULD BE USED FOR PURPOSE. PROPOSAL HAD ENVISAGED AN ESSO-GOP BUYOUT OF 37 1/2 PERCENT MOBIL INTEREST IN  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 188938

MARI, WITH ESSO INCREASING ITS HOLDING TO 51 PERCENT AND

THE GOP GOING FROM THE PRESENT 25 PERCENT TO 49 PERCENT. MOBIL, NEVER VERY ACTIVE IN PAKISTAN, IS SAID TO BE FULLY AGREED TO BUYOUT. ESSO THUS WOULD NEED FOREIGN EXCHANGE FOR THIS 13 1/2 PERCENT ACQUISITION AND FOR ITS ESTIMATED DOLS 5 MILLION SHARE OF MARI DEVELOPMENT COSTS. UNDER THIS SCENARIO, GOP WOULD HAVE TO FUND (1) ESSO DISTRIBUTION/ REFINERY PURCHASE, (2) BUYOUT OF REMAINING 24 PERCENT OF MOBIL, AND (3) ITS DOLS 5 MILLION SHARE FOR MARI DEVELOPMENT. WHILE ESSO REPS DID NOT DISCLOSE TOTAL AMOUNT OF

THIS PACKAGE, IT MAY BE HIGH ENOUGH TO BE MAJOR FACTOR IN GOP RELUCTANCE. IN ADDITION, WEISS SUGGESTED THAT DEVELOPMENT COSTS MAY EXCEED CITED DOLS10 MILLION FIGURE.

3. AS INDICATED REF B, ESSO IS THINKING ABOUT APPROACHING PM BHUTTO TO APPEAL ECC DECISION ONCE IT IS FINALIZED. IN THIS REGARD, IT WOULD BE USEFUL TO KNOW MORE ABOUT TIMING OF EXPECTED RELEASE OF ECC MINUTES, OR AT LEAST WHETHER A DELAY IS LIKELY. DEPARTMENT THEREFORE SUGGESTS LOW-KEY EMBASSY APPROACH TO GOP, PERHAPS VIA FINANCE MINISTRY, WHICH ESSO SEES AS MORE SYMPATHETIC TO THEIR SITUATION. FYI ESSO SUSPECTS MINISTRY FUEL, POWER, AND NATURAL RESOURCES AND H.U.BEG IN PARTICULAR MAY NOT ACCURATELY REFLECT GOP POSITION IN THIS MATTER, WHETHER BY DESIGN OR MISCALCULATION. FINMIN WOULD HAVE BETTER APPRECIATION OF IMPLICATIONS OF MARI EXPANSION FOR ONGOING FERTILIZER-PLANT PROJECTS. END FYI. ANYTHING EMBASSY COULD FIND OUT ABOUT ECC TIMING AND PROSPECTS FOR EVENTUAL APPEAL OF DECISION WOULD BE APPRECIATED. KISSINGER

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SALES, PETROLEUM INDUSTRY, BUSINESS FIRMS, PROPOSALS (BID)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 09 AUG 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MartinML  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975STATE188938  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** MGJONES/MW  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750276-0182  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750866/aaaacfse.tel  
**Line Count:** 90  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN NEA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 ISLAMABAD 6970, 75 KARACHI 1626  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** MartinML  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 18 AUG 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <18 AUG 2003 by BoyleJA>; APPROVED <03 DEC 2003 by MartinML>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ESSO SALE PROPOSAL  
**TAGS:** EINV, EAID, PK, ESSO  
**To:** ISLAMABAD  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006